

Bristol Schools Forum
DSG Budget Monitor 2020/21 P4

Date of meeting:	22 September 2020
Time of meeting:	5.00 pm
Venue:	Virtual meeting

1 Purpose of report

- 1.1 This report provides information of the forecast financial position for the DSG overall as at Period 4 (to end July 2020).

2 Recommendation

2.1 Schools Forum is invited to:

- a) **note the in-year 2020/21 position for the overall DSG.**

3 Background

- 3.1 This is the first budget monitor paper for 2020/21 to be presented to Schools Forum, as result of the cancellation of the July Forum meeting.
- 3.2 The report updates Schools Forum on the position at Period 4 (end of July) 2020/21.

4 Budget monitoring 2020/21

- 4.1 The DSG ended the 2019/20 financial year with an overall deficit of £2.892m, this included £2.407m of funding accelerated from 2020/21.
- 4.2 This first monitor is showing that the in-year forecast deficit is £3.186m, which when added to the brought forward balance will give a total deficit to carry forward at the end of the year of £6.078m. The main area for concern is the High Needs block which is forecasting an overspend in-year of £3.094m, this is despite an increase in funding in this block. The Period 4 position is set out in **Table 1** with more detail set out in **Appendix 1**.

Table 1: Forecast position on overall DSG for 2020/21 at Period 4 (July 2020)

<i>All figures £'000</i>	<i>b/f</i>	<i>DSG Funding 2020/21</i>	<i>Forecast Outturn Period 04 2020/21</i>	<i>In-year variance</i>	<i>Forecast Carry- forward Period 04 2020/21</i>
Schools Block	(174)	272,492	272,492	0	(174)
De-delegation	(464)	0	0	0	(464)
Schools Central Block		2,386	2,386	0	0
Early Years	20	37,119	37,212	92	113
High Needs Block	3,509	62,511	65,606	3,094	6,603
Funding		(374,508)	(374,508)	0	0
Total	2,892	0	3,186	3,186	6,078

- 4.3 **Schools Block (Nil variance).** All of the formula funding for maintained schools and academies has been allocated. The only scope for variation is in the growth fund. Spend on the growth fund will depend on the pupil number information included on the October 2020 pupil census, any variation will be calculated and reported following receipt of this data.
- 4.4 **De-delegated resources (Nil variance).** At this stage of the year it is anticipated that this will be in a balanced position. Any variance will be carried forwards to future years.
- 4.5 **School Central Services Block (Nil Variance).** It is expected that all of the services in this block will spend to budget.
- 4.6 **Early Years Block (£0.092m forecast overspend).** The Early Years DSG income is based on 5/12ths of the January 2020 census and 7/12ths of the January 2021 census. In 2019/20 the participation levels generated a balanced budget (with the overspend last year in the block being the agreed expenditure to utilise the carried forward surplus). Similar participation levels in 2020/21 should once again lead to a balanced position.
- 4.7 The area in the block experiencing the most pressure at the moment is emerging High Needs, the current overspend in this area is £0.2m.
- 4.8 **High Needs Block (£3.094m forecast overspend).** The High Needs block is forecasting an in-year overspend of £3.094m at this stage of the year. The increased funding has been allocated across the block reflecting 2019/20 outturn levels.
- 4.9 Top-up funding is experiencing the biggest pressure, with a significant (£2.1m) increase from 2019/20. Placement costs are also expected to increase from last year with the current forecast being £1.3m higher than 2019/20.

- 4.10 Detailed reports relating to SEND demand, forecasting and short to longer term changes in spend are being developed, these will be presented at future meetings.
- 4.11 Following agreement of Forum, the amount transferred from the Schools Block in 2020/21 is being used to contribute towards the Education Transformation Programme. We are currently forecasting that this funding of £1.3m will be spent in 2020/21.
- 4.12 The Education Transformation Programme commenced this year and is primarily concerned with SEN and consequently the High Needs Block, this will need to reduce future cost pressures in the block and make it more sustainable. Nationally High Needs continues to be challenging and in Bristol this has been exacerbated by work to clear the backlog of EHCP. Further detailed activity review & analysis will need to be undertaken to ensure planning is robust and sufficient resources are available to meet needs, and we will continue to lobby government for a more sustainable funding settlement.
- 4.13 **Funding (Nil Variance).** £374.508m is the latest DSG amount notified by the ESFA, this includes the first adjustments for the High Needs Import/Export adjustment and a slight adjustments in Early Years reflecting the final year-end actual position.

**Appendix 1 - Forecast position for Overall DSG 2020/21 as at Period 4
(Block financing position)**

	Brought forward 1.4.20 £'000	Funding 2020/21 £'000	Forecast Outturn Period 04 2020/21 £'000	In-year movement £'000	Carry forward 31.3.21 £'000
Maintained Schools		78,707	78,707		
Academy Recoupment		191,439	191,439		
Growth Fund		2,346	2,346		
Schools Block	(174)	272,492	272,492		(174)
De-delegation Services	(464)				(464)
Admissions		494	494		
Centrally Retained		1,891	1,891		
Schools Central Services		2,385	2,385		
National Formula		28,973	28,988	15	
2 Year Old Funding		3,982	3,799		
Pupil Premium (EYPP)		299	299		
Additional Support Services		805	805		
SEN Top up		1,275	1,475	200	
Staffing		1,680	1,644	(37)	
Disability Access Fund		105	105		
Early Years Block	20	37,119	37,212	92	113
Commissioned Services		2,301	2,353	52	
Core Place Funding		10,302	10,216	(87)	
Staffing		1,160	1,342	182	
Top Up		27,950	30,668	2,718	
Placements		9,044	9,345	301	
Pupil Support		814	758	(56)	
HOPE Virtual School		236	219	(16)	
Academy Recoupment		9,335	9,335		
Education Transformation		1,369	1,369		
High Needs Block	3,509	62,511	65,606	3,094	6,603
Funding		(374,508)	(374,508)		
Total	2,892	0	3,187	3,187	6,078